

Arizona Department of Real Estate

Strategic Plan FY 2017 – 2021



Douglas A. Ducey
Governor

Judy Lowe
Commissioner



STATE OF ARIZONA

DEPARTMENT OF REAL ESTATE

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DOUGLAS A. DUCEY
GOVERNOR

JUDY LOWE
COMMISSIONER

TEAM - "TOGETHER EVERYONE ACHIEVES MORE"

January 1, 2016

Dear Arizonans:

As the Commissioner of the Arizona Department of Real Estate (ADRE) it is my pleasure to share with you the Department's Five Year Strategic Plan for fiscal years 2017-2021. The ADRE TEAM has invested extensive time and effort into goal setting and development of this strategic document. It is the hope of the ADRE TEAM that you will find the plan useful in developing an understanding of the critical mission of the Department in licensing and regulating one of the most vital economic forces ... the Arizona real estate industry.

We are very proud of our TEAM's ability to exceed prior year services to the real estate industry and the public. This achievement has been managed through a Partnership with the Public we protect and the real estate industry we serve. This **Partnership** continues to work together, with a unified goal to ensure a stable industry and foster an environment of opportunity.

The Department has responsibly managed its budget, while utilizing its resources and capable staff. We renew our commitment to find even greater efficiencies by identifying every area where we can be more "LEAN". It is through this process that the ADRE will be the best real estate agency in the country.

You will see in the plan below that the ADRE continues its expansion and improvement effort of services to the constituents of Arizona, whether they are real estate licensees through licensing and regulation, or the public as they strive to benefit from the improving Arizona real estate market.

A strong real estate industry means a strong economic environment for Arizona. This strategic plan will guide ADRE's future actions and decisions toward that end.

Sincerely,

A handwritten signature in cursive script, appearing to read "Judy", with a horizontal line extending from the end of the signature.

Judy Lowe
Commissioner
Arizona Department of Real Estate



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ARIZONA DEPARTMENT OF REAL ESTATE (ADRE) MISSION AND VISION

MISSION

The purpose of the Department is to serve and protect the public interest through efficient and timely licensure, balanced regulation and proactive education oversight of the real estate profession in the State of Arizona.

The Department's Vision Statement reflects this commitment to our mission. The Vision Statement reads:

The Arizona Department of Real Estate shall be:

- Technologically – The most up to date;
- Procedurally – The most efficient;
- Regulatory – The fairest and most effective;
- Relationally – The most customer services oriented; and
- Organizationally – The most proficient State-level Department of Real Estate in the United States.

EXECUTIVE SUMMARY

HISTORY AND ORGANIZATION

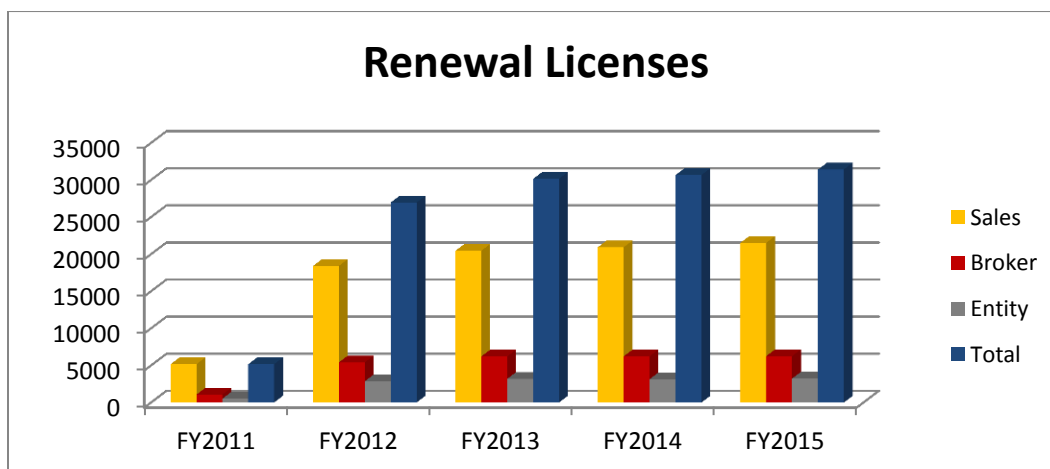
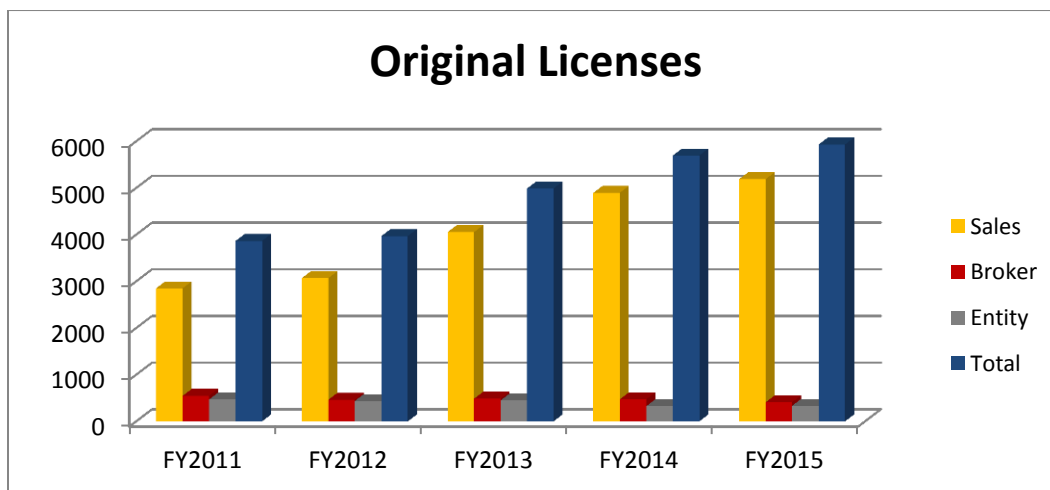
The regulation of the Arizona real estate industry had its beginnings in a limited manner in 1912. In 1921, the earlier licensing statutes were strengthened and expanded to focus the efforts of State Government on more thorough regulation of the real estate brokers and salespersons. 1927 saw the addition of the subdivision statutes and laws that provided for the examination of licensees. Regulation was under the jurisdiction of the Land Department until 1947 when the Real Estate Commission was formed.

The Department of Real Estate is a cabinet agency, under the direction of Commissioner Judith Lowe, who was appointed by Governor Janice K. Brewer in May 2009 and re-appointed by Governor Douglas A. Ducey in January 2015. The Real Estate Advisory Board is comprised of ten members, who are appointed by the Governor to provide the Commissioner with such recommendations as the Board deems necessary and beneficial to the best interest of the public, or as requested by the Commissioner pursuant to A.R.S. §32-2104 (E).

Pursuant to A.R.S. Title 32, Chapter 20 and the Administrative Code Title 4, Chapter 28, the Department regulates real estate licensees (including residential sales, brokers, companies, property managers, business brokers, and commercial brokers), private cemeteries, and membership camping licensees.

The Department also regulates real estate educators and schools, monitoring prelicensing and continuing education courses to ensure the quality of content of courses and the competence of the instructors, as well as the quality and timeliness of materials being taught. The Department oversees the administration of licensing examinations as well as the activities of licensees to ensure compliance with the Arizona Department of Real Estate Revised Statutes and the Commissioner's Rules. Also, within the purview of the Department is the regulation of the sale of subdivided and certain unsubdivided lands, timeshares, condominiums, membership campgrounds, and cemeteries.

The Department of Real Estate processed over 5,930 new applicants in fiscal year (FY) 2015 for licensure of brokers and salespersons in real estate, membership campground, and cemetery, an 11% increase in these categories from FY 2014, and 28% increase since FY 2013. Additionally, it is charged with the supervision of prelicensure and continuing education courses to ensure the quality and the timeliness of materials being taught, and to ensure the competence of the instructors.



REVENUE AND FEES

Each year the Commissioner must consider revising fees in order to ensure that license fee revenue contributions to the General Fund fall between 95% and 110% of the Department's appropriated budget as required by A.R.S. § 32-2103(B).

Real Estate Other Funds include:

- The Real Estate Recovery Fund is established by A.R.S. §32-2186. This non-appropriated Fund is established for the benefit of any person aggrieved by an act, representation, transaction or conduct of a licensed real estate or cemetery broker or real estate or cemetery salesperson that violates Arizona real estate laws or rules. The aggrieved person, however, must first obtain a judgment against the licensee(s) in a court of competent jurisdiction, and not have been able to collect against that judgment before a claim to the fund may be submitted. Payment from the Fund is limited to actual out-of-pocket losses, and cannot exceed \$30,000 per transaction, with a \$90,000 maximum per licensee total payout.
- The Department ceased collecting Recovery Fund fees for renewing licensees in FY 2015, which continued in FY 2016 pursuant to A.R.S. § 32-2187.
- The Education Revolving Fund is established by A.R.S. §32-2107. This non-appropriated Fund generates revenue from the sales of Department publications, such as the Arizona Real Estate Law Book, and can only be used for the educational benefit of licensees and the public. The Department anticipates updating and publishing an updated version in FY 2016. Details will be made available on www.azre.gov.



OVERVIEW OF THE AGENCY

AGENCY DIVISIONS AND FUNCTIONS

The **Commissioner's Office/Operations/Business Services Division** maintains responsibility for executive decisions and managerial oversight of the Department, establishes the overall regulatory and fiscal policies for the Department, and sets the strategic direction and allocation of budgetary resources to ensure that the needs of the other divisions are met in a timely and efficient manner. Included within the Commissioner's Office is the Chief of Staff, and Assistant Commissioner of Operations/Legislative Affairs (Also serves as the Public Information Officer). Additionally, this Division is charged with oversight of Information Technology, Ombudsman, Custodian of Records, Recovery Fund, Legislative Affairs, and is responsible for the promulgation of Rulemaking and Substantive Policy Statements.

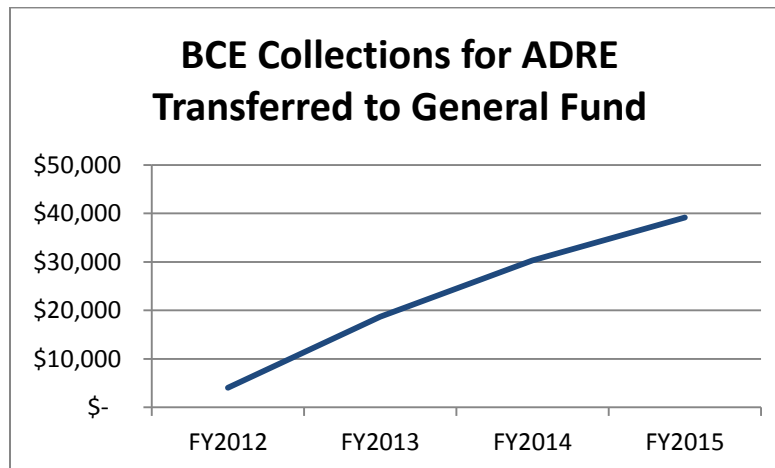
The **Licensing Division** processes all licensing related applications, including but not limited to original licenses, renewals, hires, severs, entity changes, and legal presence documentation. This Division also provides licensing customer service through answering phones, emails, and messages received through the ADRE Message Center. Licensing staff coordinate with other divisions to deny, suspend, revoke, or terminate licenses, if necessary. The Assistant Commissioner Licensing Services oversees the Licensing, Education, and the Development Services Divisions.

The **Education Division** oversees the Prelicensing Education and Exam, the Continuing Education licensing requirements, and monitors compliance of Real Estate Educators with applicable statutes, rules and policies. The Education Division reviews school, course, and instructor approval applications.

The **Development Services Division** examines subdivision, timeshare, unsubdivided lands, and membership camping applications and issues public reports for developments prior to the entities marketing for sale or lease in Arizona. Additionally, the Division reviews cemetery applications and issues certificates of authority.

The **Investigation/Auditing Division** conducts formal investigations of real estate transactions and alleged wrongdoing by licensees, as well as, violations by developers and subdividers. Violations may include fraud, forgery, misrepresentation, illegal lot splitting, lack of development as provided for in the public report, and other complaints against licensees or developers and subdividers. Auditors conduct performance audits of real estate brokers' records to ensure that the records and trust accounts are kept in compliance with statutory mandates, and that all monies are properly accounted for. Division staff review and process broker audit declarations, also referred to as self-audits, submitted by renewing brokers. The Assistant Commissioner Compliance oversees the Investigations/Auditing Division and Enforcement and Compliance Division.

The **Enforcement and Compliance Division** receives cases from investigations, education, and licensing. Settlement officers review the cases and determine the appropriate enforcement action. Enforcement actions may include, but are not limited to, advisory letters of concern, civil penalties, cease and desist orders, and license suspensions. Settlement officers attempt to resolve cases with a consent order in lieu of a hearing. This Division works closely with the Attorney General's office. The Compliance section monitors licensee compliance with consent orders and works closely with the Bankruptcy and Collection Enforcement Section (BCE) of the Attorney General's office.



COMMISSIONER PARTICIPATION IN OUTSIDE ENTITIES

- Governor's Cabinet, Member
- Association of Real Estate License Law Officials (ARELLO), Board of Directors
- Association of Real Estate License Law Officials (ARELLO), Law & Regulatory Committee, Member
- Arizona-Mexico Commission, Real Estate Committee, Co-Chair
- FBI Mortgage Fraud Task Force, Member
- National Association of Professional Women, National Real Estate Committee, Member
- National Association of REALTORS® (NAR), Diversity Advisory Group, Member



AGENCY STRATEGIC ISSUES

Strategic Issue #1: Increase Protection to the Public

As a regulatory agency charged with protecting the public, the Arizona Department of Real Estate's emphasis will continue to be on building partnerships within the industry and with other state agencies in serving and protecting Arizona's constituents through an attitude of supporting a TEAM (Together Everyone Achieves More) concept. This partnership will focus on "raising the bar" of the real estate industry, thus minimizing the actions that cause harm while educating the public as to what to be aware of in their real estate transactions.

This task will be achieved through the commitment of open communication, transparency, and the sharing of information and knowledge. The Department will create a synergistic approach to problem solving by gathering feedback from stakeholders, then implementing changes and improvements as needed. Through proactive education and information broadcasting, the Department will seek to ensure public and industry awareness of fundamental laws pertaining to real estate transactions in Arizona.

Prevalent and ongoing industry concerns continue to be seen in the following:

- Fraudulent real estate and subdivision schemes;
- Property management mishandling and/or depletion of trust accounts by licensed individuals;
- Property management schemes and violations conducted by unlicensed individuals;
- Mortgage fraud involving real estate licensed individuals;
- Unlicensed entities in Arizona, as well as out-of-state companies conducting real estate activities in Arizona without an Arizona real estate license;
- Auctions where unlicensed individuals facilitate the sale of properties;
- Advertising violations, in many cases, where misleading, false, and deceptive marketing is used.

The Department will focus on balanced regulation, ensuring that licensees and/or repeat offenders who are proven to have violated the law and harmed the public are quickly and stringently assessed penalties, while recognizing that minor infractions could be addressed from an educational perspective.

The Department anticipates continued opportunities to redirect focus toward development services and the delivery of public reports. Additionally, the Department will continue to streamline processes, allowing for staff to work through cases thoroughly, yet, efficiently and timely.

Strategic Issue #2: Enhance Quality of Licensee Real Estate Education

Real estate education is a fundamental element of enhancing the highest level of knowledge and professionalism within the real estate industry. Private sector Real Estate Educators are a critical component of the overall success of the industry and its contribution to the Arizona economy.

Pursuant to A.R.S §32-2135, in addition to being responsible for issuing real estate school licenses, approving the credentials of instructors, and the subject matter content of courses, the Department is tasked with ensuring that all schools and instructors are complying with applicable statutes and rules. This is performed by conducting audits to ensure the information and materials being taught and distributed have been approved by the Commissioner and that certification of student attendance, and performance is properly documented.

A dynamic education auditing program monitors the performance of the Real Estate Schools, their instructors, and courses. This program utilizes volunteer monitors from the real estate industry who review the delivery of courses to confirm compliance with the stated application specifics and approval guidelines from the Department.

Strategic Issue #3: Streamline Delivery of Service – LEAN Systems Management

The Arizona Department of Real Estate strives to be a provider of responsive and reliable services to Arizona's real estate industry and the public. The Department's efforts focus on ensuring that the delivery of quality, timely, and cost-effective core services are achieved. The day-to-day activities of the Department rely on efficient internal business systems.

The ADRE began working with the Government Transformation Office (GTO) in FY 2014 to analyze and implement principles of LEAN Management in its licensing disciplinary action disclosures process. In late 2013, the ADRE reduced the processing time for 90% of disclosures from 42 days to 2 days – a 95% improvement, [click here](#) to read more. As of August 2015 the ADRE has maintained this average processing time which can be attributed to the commitment of the ADRE and GTO staff.

In January 2015 (FY 2016), ADRE staff in the Development/Builder Services Division completed a LEAN project to reduce processing time for Public Report Amendments by at least 50%. Average processing time was reduced from 11 days to 4 days in five months. Just as impressive as reaching this goal is that as of January 2016 average processing time for this report has been maintained.

In FY 2016 and FY 2017 the Auditing & Investigations Divisions (A&I) are working to reduce the number of days to complete both investigations and audits.

As the State of Arizona promotes LEAN Management, the ADRE will ensure all staff is trained on these leading principles.

The Department's fiduciary responsibility to the citizens of Arizona requires that resources be utilized efficiently and effectively. To this end, the Department will always explore cost-saving strategies while looking for better ways to deliver increased services. The Department continues to review internal processes, with the guiding principle of identifying if there is a more efficient way for achieving the same or better result.

Strategic Issue #4: Maximize Technology Platform

The Arizona Department of Real Estate's Information Technology infrastructure must continue to advance in order to facilitate more efficient internal processes and to keep pace with the technologically-savvy real estate industry and public the Department serves. Based on the Department's business technology assessment and the review of the State of Arizona IT Strategic Plan, the Department has developed an implementation plan to replace or update IT and communication systems, providing opportunities for re-engineering appropriate business processes throughout all areas of the agency. Implementation and integration of these systems will provide faster, more efficient customer service to the public, as well as enhance staff efficiencies by reducing duplication of effort and shortening time spent on various data-gathering and verification tasks.

These improvements must be achieved in both the Department's internal document management and online services development. Today, through the Department's proprietary technology platform, a licensee can complete an original and renewal license application online, including fee payment, in a matter of minutes. The original license applicant can visit the Department online licensing system on the ADRE website to scan and submit their application documents to receive same day licensing services. The Department has also implemented kiosks in the agency's location where a licensee can walk in to the self-service computer to upload their licensing information.

The IT Division of the ADRE continues to develop on the existing internal document management system to enable the interfacing with modern systems connectivity between all Divisions within the Department. Technology will remain the catalyst that will allow the Department to overcome staffing limitations (reduced from a high of 72 FTE in 2009 to its current 33.5 FTE (as of September 1, 2015)) and continue to improve upon its excellent service delivery to nearly 80,000 Arizona real estate licensees.

Strategic Issue #5: Promote Committed, Skilled, and Accountable ADRE Team

The ADRE remains committed to offering trainings that promote skill building and crossover between divisions. As the State advances toward consolidating functions of government to create greater efficiencies, the ADRE will maximize its existing infrastructure and support its staff by ensuring that they are well equipped.

As of September 2015, the Arizona Department of Real Estate employs 33.5 FTE, with 20% of staff eligible for ASRS retirement within the next four years. The ADRE will continue to strive toward attracting and retaining Department staff while maximizing its budget to incentivize top performers within the policies and guidelines of the State.

Demographic shifts will be the largest single influence on the Department workforce over the next five years, as increasing numbers of experienced employees may retire, or pursue other career opportunities. In FY 2015, 83% of ADRE employees "met expectations" or "exceeded expectations" based on Performance Measures and received merit based compensation. This is a 10% improvement from FY 2014. The Department's focus moving forward will continue to be on the ability to implement strategies to mitigate anticipated departures of valuable employees, to preserve and transfer the historical institutional knowledge of retiring staff, and to implement recruitment measures to attract top talent and improve on staff job satisfaction.

Strategic Issue #6: Adhere to Fiscal Guidelines

The Department has operated successfully through accommodating its appropriation level each year. We will continue to utilize available resources, while maintaining focus on the excellent delivery of services to the real estate industry and always striving to protect the public.

The TEAM will always be appropriately knowledgeable of the budget that the Department is committed to operate within, and will receive updates on the Department's performance.



AGENCY GOALS AND OBJECTIVES

Strategic Issue #1: Increase protection to the Public

Goal #1: Enhance the attitude and perception of protecting the public, through partnering as well as providing proactive education and information broadcasting to ensure public and industry awareness of fundamental laws pertaining to real estate transactions in Arizona.

Strategies:

1. Expand external communication with focus on educating the public and licensees, including providing up-to-date content on www.azre.gov, in the Department's Bulletin, and through in-field education presentations.
 - a. Quarterly, review of applicable sections of the website by appropriate staff. Content updates to occur on the website in an expedient and defined timeline.
 - b. Quarterly, distribute the Department's Bulletin to those that subscribe to *Late Breaking News* (February, May, August, and November).
 - c. Quarterly, conduct in-field education presentations.
 - d. Website video created and posted each quarter beginning July 1, 2016 relating to Licensing, Auditing, and Complaints.
 - e. Brochure created each quarter beginning July 1, 2016 relating to, 1) How to use www.azre.gov, 2) Preparing for an audit, 3) Things to consider when choosing a property manager.
2. Partner with the Designated Broker community to increase proactive licensee supervision.
 - a. Meet with two or more Designated Brokers each quarter to identify best practices or tips for effective licensee supervision.
 - b. Present best practices and tips at two or more Broker Connections per quarter.

Performance Measures:

- Improved communication with licensees and the public as evidenced by customer service surveys with a satisfaction rating of "exceeds" expectations, increased online traffic, and fewer education-related deficiencies;
- Publications and videos focused on education of licensees and the public;
- Enhanced knowledge level of the real estate industry and the public; and
- Improved Designated Broker supervision of the licensees they are responsible for supervising.

Goal #2: Maintain the current level of investigations and audits conducted, while proactively monitoring and enforcing existing regulations, executing more expedient and efficient action on complaints and investigations, and increasing penalties for proven violators to mitigate ongoing potential harm to the public.

Strategies:

1. Perform 1,500 in-field broker audits and/or electronic broker audit reports (EBARS) between FY 2017 and FY 2018.
2. Oldest pending audit to no more than 100 days, with completion of no less than 16 audits per auditor each month (14 in-field audits & 2 EBARS).
3. Streamline complaint, investigation, and enforcement processes to affect a thorough and timely review and determination:
 - a. Initial review of complaint received completed within 5 days of assignment.
 - b. Reduce entire case investigation processing, with a closure or referral to Enforcement Division to an average of 60 days or less for each investigator.
 - c. Reduce age of oldest pending file to no more than 100 days while adhering to comprehensive review. Decrease any “pending log” to no more than 160 pending combined investigations and auditing cases at the end of each month.
 - d. No “pending” E&C case file older than 90 days total within the ADRE process (excluding referral to the Attorney General’s office).
 - i. Reduced the average calendar days from receipt of real estate or subdivision complaint to resolution by 62% from FY 2013 to FY 2015.
4. Continue coordination of efforts with the Attorney General’s office to streamline processing of referred cases.
5. Encourage adjudication by the Attorney General’s office, when necessary, within 180 days of receipt by Enforcement and Compliance, including formal hearing.
6. Continue review, and revise if necessary, the complaint submission/investigation process.
7. Review current statutes, rules, and substantive policy statements annually during the first quarter of the fiscal year to determine the need for modification to enhance authority for enforcement.
 - a. The Department will identify and have prepared for submission to the Governor’s office any issues it will propose for legislation for the upcoming legislative session by the first week of September 2016.

Performance Measures:

- Increased number of investigations or audits completed;
- The ADRE completed 316 in-field audits and 126 electronic broker audits in FY 2015;
- Reduced the average calendar days from receipt of real estate or subdivision complaint to resolution by 37% from FY 2014 to FY 2015;

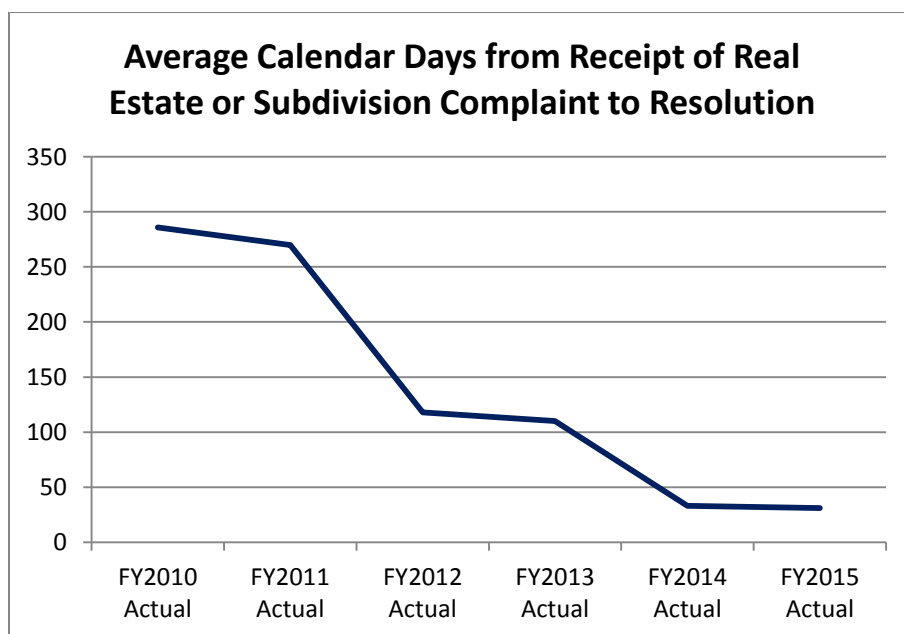
- Reduced average days for adjudication of cases;
- Reduced aging of the oldest pending cases;
- Reduced number of “pending cases” at the end of each month;
- Consumer satisfaction increase with a more “user-friendly” complaint submission process and a more timely investigation determination; and
- Increased authority to enforce administrative action against a violator.

**PERFORM 1,500 IN-FIELD BROKER AUDITS
AND/OR ELECTRONIC BROKER AUDIT
REPORTS (EBARs) BY FY 2016**

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY2017 Estimate
Number of in-field broker audits performed	1	15	60	67	464	316	320	320
Number of Electronic Brokers Audit Reports (EBARs) conducted	33	45	68	116	162	126	150	150

**MAINTAIN THE TIMELINESS OF THE
INVESTIGATIVE PROCESS**

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY2017 Estimate
Average calendar days from receipt of real estate or subdivision complaint to resolution	286	270	118	110	43	27	25	25
Total real estate or subdivision complaints investigated	1055	796	852	1153	729	866	1100	1100



Goal #3: Maintain excellent customer service through the timely issuance of public reports.

Strategies:

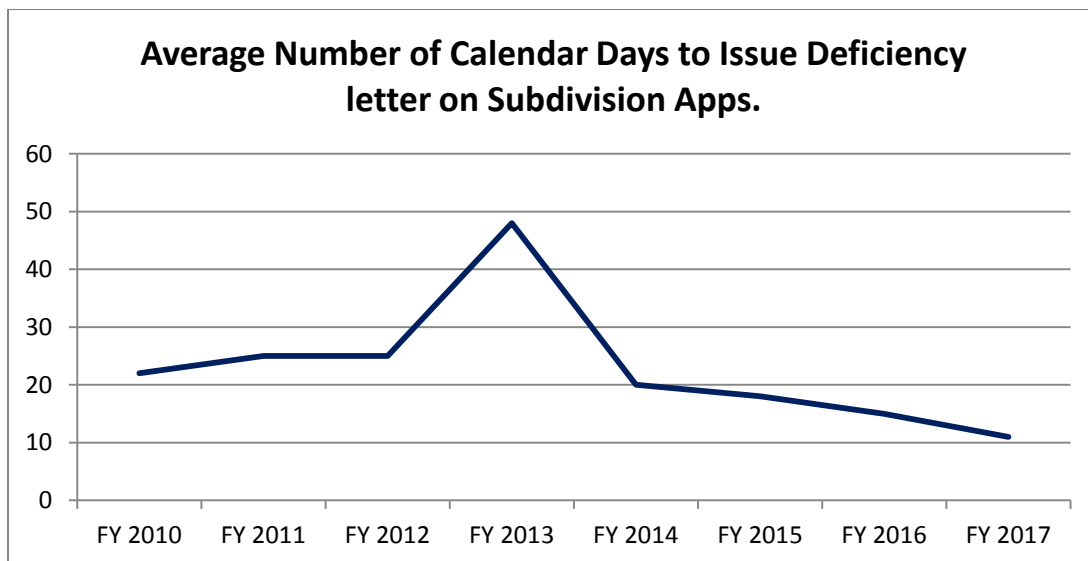
1. The Development Services Division decreased the average number of calendar days to issue a decision letter on subdivision applications received from 20 to 18 calendar days.
2. Reviewing and revising all forms, if necessary, by December 1, 2016.

Performance Measures:

- Decreased average calendar days to issue deficiency letters on subdivision applications to 15 days by January 1, 2017. The Development Services Division reduced the average number of days in this category by 10% in FY 2015.

MAINTAIN EXCELLENT CUSTOMER
SERVICE THROUGH THE TIMELY ISSUANCE
OF PUBLIC REPORTS

	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY2017 Estimate
Average number of calendar days to issue deficiency letter on subdivision applications received	22	25	25	48	20	18	15	11
Number of subdivision filings received	357	193	173	360	598	556	600	600



Strategic Issue #2: Enhance Quality of Licensee Real Estate Education

Goal #1: Continue to improve the quality and method of delivery of education being delivered to licensees.

Strategies:

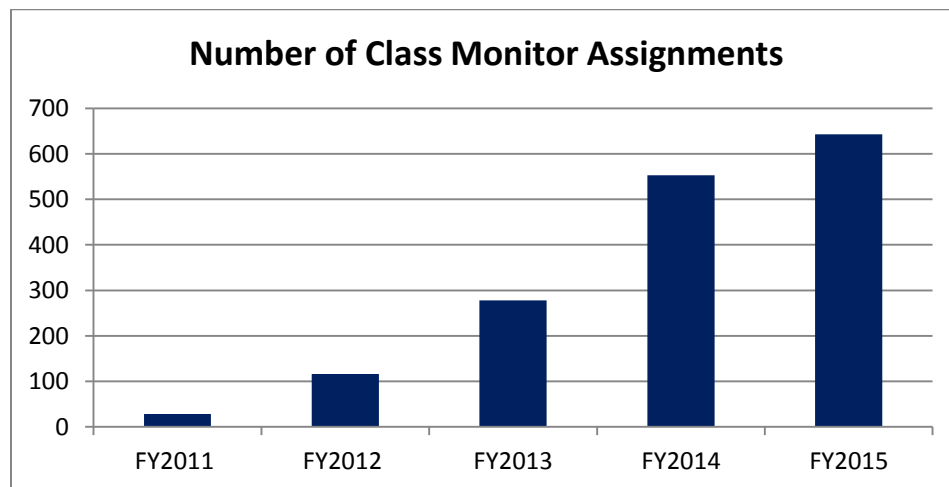
1. Increase the volunteer monitor assignments, including prelicensing, continuing education, and distance learning courses to no less than 60 assignments per month by December 1, 2017. The ADRE increased the average number of assignments from an average of 23 in FY 2013 to 53 in FY 2015. Each monitor assignment shall have a review report.

Performance Measures:

- Increased number of class monitor assignments;

FY 2011 Actual	FY 2012 Estimate	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
28	116	278	553	643	720	720

- Improved results tracking of audits and monitored assignments;
- General Improvement in quality of class offerings and instructors based on the aggregate reporting of audits and monitoring assignments; and
- Accommodation for the industry to access quality education utilizing *state of the art* delivery methods.



Goal #2: Review and approve all new applications and renewals of schools, courses, and instructors accurately, thoroughly and quickly.

Strategies:

1. Review and approve new courses within an average of 5 business days of receiving the application.
2. Maintain a “pending approval” figure of no more than 10 at month’s end, including deficient pending.
3. Brochure created each quarter beginning July 1, 2016 relating to, 1) How to use www.azre.gov, 2) Preparing for an audit, 3) Things to consider when choosing a property manager.

Performance Measures:

- A decrease in average days from receipt to approval of applications for schools, courses, and instructors; and

- Maintain an achievable “pending approval” log at all times.

Strategic Issue #3: Streamline Delivery of Services

Goal #1: Maintain a high level and quality of service to all stakeholder groups in the face of increased demand generated by rapid and extended growth in Arizona population and an increase in Arizona real estate activity.

Strategies:

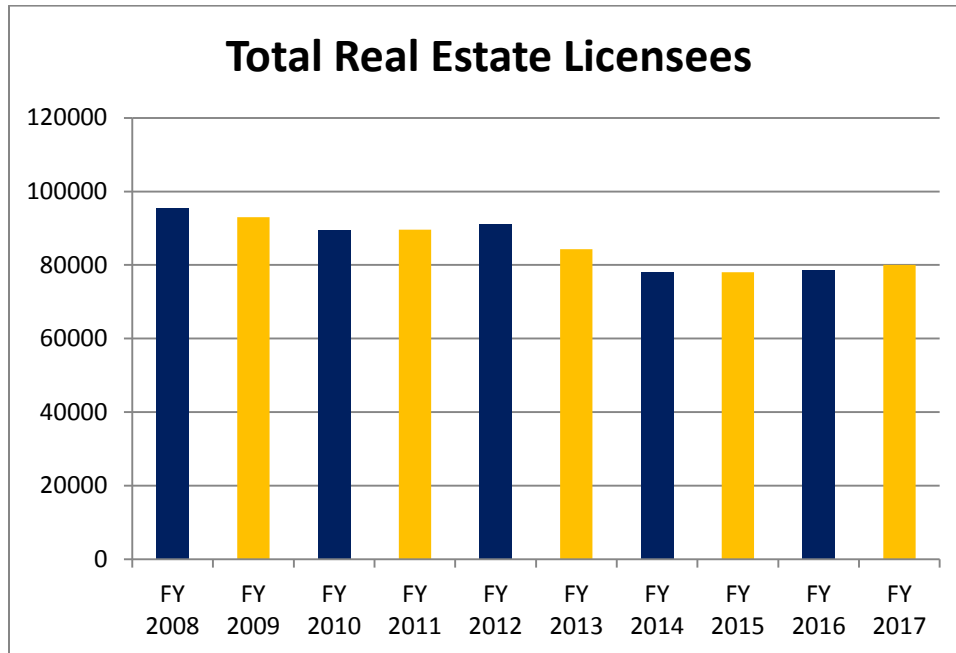
1. Continue to build upon the Department wide script that was developed in 2014 for all routine external communication. Updates to occur each quarter of FY 2017.
2. Maintain up to date, consistent final written internal processes for each division’s procedures that were completed and compiled in 2014, and updated in 2015. Reviews of each manual will be completed by each Division by June 30, 2017.
 - a. Business Services
 - b. Development Services
 - c. Enforcement & Compliance
 - d. Investigations and Auditing
 - e. Licensing (Disclosures)
 - f. Education
 - g. Information Technology
3. Review Department forms and documents, continually, modifying as necessary, with the added intention of allowing for online completion and submission, by September 1, 2016.
4. Establish and monitor Department Division goals for processing and minimum standards for all pending matters.
 - a. Monthly, review Auditing “Oldest Pending File” goals.
 - b. Monthly, review Enforcement and Compliance “Oldest Pending File” goals.
5. Complete initial review of Recovery Fund claims within 15 days of receipt and provide a written response to claimant(s) within 30 days of receipt of an original application.

Performance Measures:

- Consistent answers to routine questions fielded by the Department;
- Productivity savings and efficiencies realized with decreased start-to-finish times for all processes;
- Increased industry and public satisfaction with forms and documents required by the Department; and
- Increased industry and public satisfaction with services provided by the Department.

CREATE AND MAINTAIN PROCEDURES TO
PROCESS LICENSES IN AN EFFICIENT AND
TIMELY MANNER.

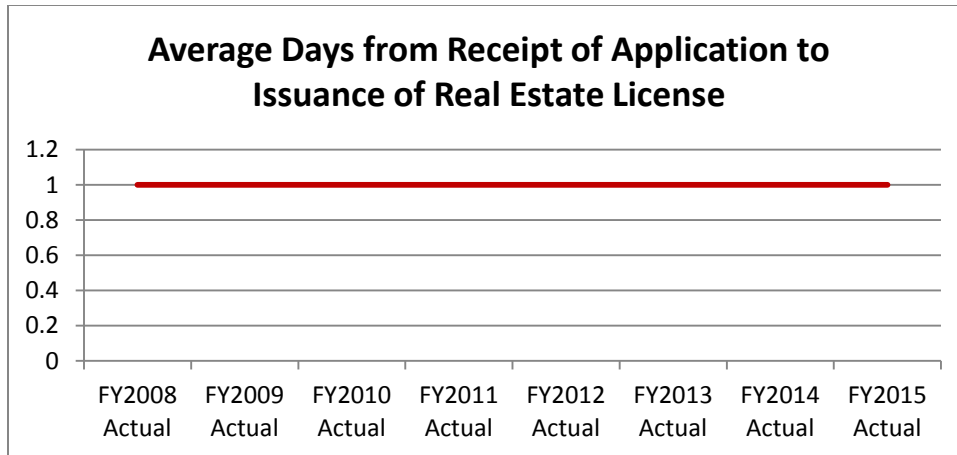
	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY2017 Estimate
Average days from receipt of application to issuance of real estate license	1	1	1	1	1	1	1	1	1	1
Total real estate applications received	87332	35000	11300	9023	30298	35140	36326	40978	42000	44000
Number of real estate licensees	95508	93029	89443	89590	91200	84308	78053	78038	78500	80000



Goal #2: Review the Department's website for accuracy of content and usability.

Strategies:

1. Update each Division's Question and Answer (Q&A) segment of website by June 1, 2016.
2. Complete a thorough review of the Department's website by June 30, 2016.
3. Create a map or index of the Department's website to include all links, locations, and point of contact for content by June 30, 2016.
4. Increase the number of website visits as evidenced by the increased in Message Center Messages.



Performance Measures:

- Fewer phone calls and emailed questions received at the Department;
- Improved user satisfaction with online functionality; and
- Higher number of “visits” to www.azre.gov indicating increased usage.

Strategic Issue #4: Maximize Technology Platform – Internally/Externally

Goal #1: Utilize improved technologies to enhance productivity and efficiency in delivering services to the real estate community and the citizens of Arizona.

Strategies:

1. Implemented digital document storage throughout the Department.
 - a. Expanded utilization of SharePoint to completely replace legacy file system storage for business documents in FY 2015.
2. Replace aging Windows internal licensing software with modern web-based system by June 30, 2017.
3. Expand online capabilities.
 - a. Create a new version of the Department’s main website to be mobile device friendly and to reorganize information for easier discoverability by June 30, 2017. This strategy has been extended due to staffing shortages.
 - b. Expand online services by utilizing the capabilities of the new internal licensing system and main website by June 30, 2017.
 - c. Utilize enhanced capabilities of new internal licensing system and SharePoint to digitally store license files by June 30, 2019.

*Note: These timelines could be modified with the approval of the Department’s FY 2017 budget request.

Performance Measures:

- Increased industry and public usage of online services provided by agency;
- Improved Customer Service;
- Improved and more expedited processing of all internal business; and
- Reduced paper usage and storage requirements.

Strategic Issue #5: Promote Committed, Skilled and Accountable Department Team

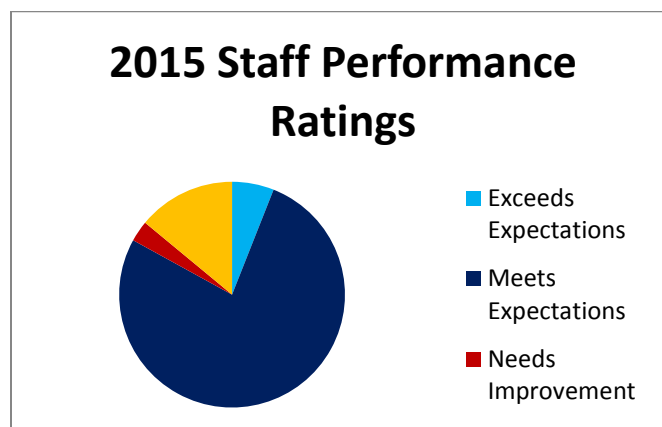
Goal #1: Maintain personnel guidelines, revise agency rules and policies, and implement and regularly monitor all State, Agency and Individual performance measures.

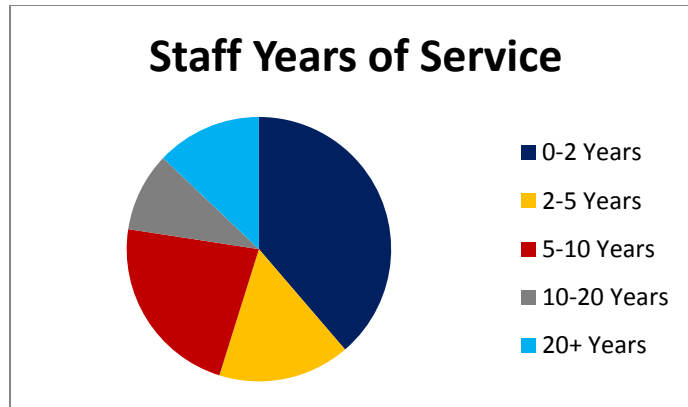
Strategies:

1. Increase new hire quality by 5% by June 30, 2017;
2. Continue to review, monitor and modify when necessary, State and Agency performance measures;
 - a. Annually review Agency competencies.
 - b. Individual monthly performance evaluations.
3. Administer the Performance Incentive Pay program as approved by ADOA; and
4. Promote continuous improvement ideas.

Performance Measures:

- Increased average length of service of high performing employees from 8.87 years in 2013 to 11.3 years in FY 2015;
- Reduced voluntary turnover of high performing employees;
- Increase employee retention – reduce % of regrettable attrition;
- Increased monetary incentives and/or base salary adjustments for high performing employees; and
- Increased employee job satisfaction.





Goal #2: Enhance educational opportunities, skill building and crossover trainings for Department staff. Existing skill building and crossover trainings will continue to prepare the Department to maximize existing agency infrastructure and resources as agencies partner. As the State advances toward consolidating functions of government to create greater efficiencies, the ADRE will maximize its existing infrastructure and support its staff by ensuring that they are well equipped.

Strategies:

1. Chief of Staff implementation of regularly scheduled and annually calendared educational opportunities, skill building, and crossover trainings for existing staff monthly beginning in January 2016, with a no less than quarterly frequency.
2. There was a training opportunity for all staff every month in CY 2015.
3. Assistant Commissioner's and Managers to schedule a monthly calendar of monthly division meetings to create knowledge sharing opportunities throughout 2016 beginning January 2016.
4. Chief of Staff to continue implementation of an annual calendar of quarterly Department "all staff" meetings beginning January 2016.

Performance Measures:

- Increased knowledge level of staff; and
- Increased knowledge level of new staff, with a shorter learning curve.

Strategic Issue #6: Adhere to Fiscal Guidelines

Goal #1: Enhance Department staff familiarity with applicable fiscal guidelines, systems, processes, and available reports.

Strategies:

1. Continue to implement knowledge of and interface with the State's financial system (AFIS).
2. Continue to assess Business Services staff system training needs monthly for AFIS, ProcureAZ, and HRIS. Schedule and verify appropriate training as needed each month. Compliance reports submitted quarterly to AC Operations.

3. Continue to assess cross-training needs in Business Services Performance Measures, and implement development opportunities to ensure continuity of operations for all primary business functions during high volume periods and/or as backup during periods of staff absence beginning January 1, 2016.
4. Review and modify, where necessary, all internal monthly reports, as well as methods for compiling data, no later than June 30, 2016.

Performance Measures:

- Department compliance with Fiscal Guidelines;
- Increase hard dollar savings;
- Appropriately trained and cross-trained staff to ensure continuity of operations; and
- Improved reporting systems and documents for Department.

Goal #2: Maintain an appropriate ratio of administrative costs in relation to the Department's Fiscal Year appropriation.

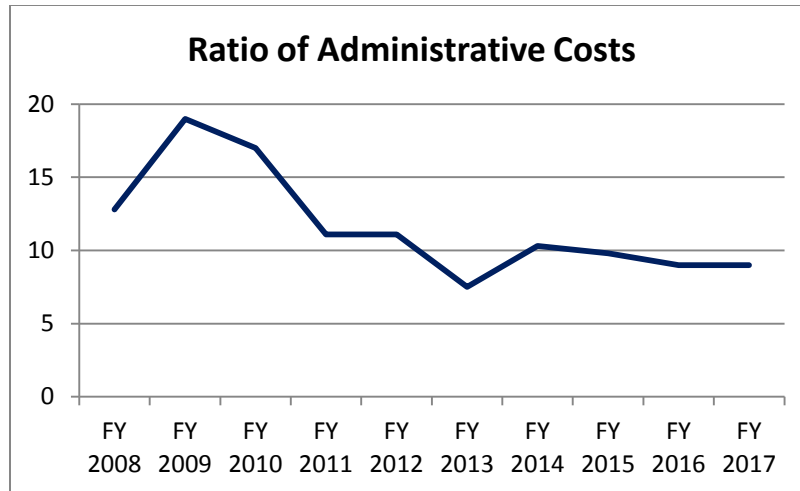
Strategies:

1. Identify applicable administrative costs and monitor the ratio of administrative costs relative to the budget appropriation by August 5, 2016.
 - a. Determine percentage of effort attributable toward administrative costs for positions with functions to include Information Technology, Budget, Policy, Human Resources, and Operations by August 5, 2016.

Performance Measures:

- Improved reporting systems and documents for the Department;
- Department compliance with Fiscal Guidelines; and
- Appropriately aligned ratio of administrative costs relative to appropriation.

FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Estimate	FY2017 Estimate
12.8	19	17	11.1	11.1	7.5	10.3	9.8	9	9



RESOURCE ASSUMPTIONS

	FY 2015 Actual	FY 2016 Appropriation	FY 2017 Budget Request	FY 2018 Estimate	FY 2019 Estimate	FY 2020 Estimate
Full-time-equivalent (FTE) Positions	37	37	37	38	38	38
General Fund	2998.7	2998.7	3018.7	3200.0	3200.0	3200.0
Other Appropriated Funds						
*Non-Appropriated Funds (Recovery Fund and Education Revolving Fund)	50.9	200 *38.2 (to date)	200	200	200	200
Federal Funds						
Total Agency Funds	3228.8	3168.7	3735.6	3585.6	3512.0	3512.0

* Expenditures from non-appropriated funds are designated for specific use pursuant to A.R.S §§ 32-2186, 32-2107.